

SUPPLY CHAIN RESPONSIBILITY

THE COMPANY'S HSE, OS AND CD REQUIREMENTS APPLY TO GAZPROM NEFT'S CONTRACTORS. WHEN SELECTING CONTRACTORS, THE COMPANY TAKES INTO CONSIDERATION THEIR COMPLIANCE WITH CORPORATE SAFETY STANDARDS.

The Company introduced the 'Steps' programme in 2015, which aims to utilise this approach during all stages of cooperation.

An essential component of the programme is to improve the level of motivation, competency and awareness among the personnel of counterparties. Contractors are part of the corporate HSE, OS and CD training system. The heads of contractor organisations must undergo cascade training without which they are not allowed to manage work at the Company's facilities. Gazprom Neft organises specialised forums for key counterparties.

Gazprom Neft introduced a system in 2016 to rate contractors based on HSE, OS and CD along with a corporate database of contractor organisations as part of its 'Steps' programme. The rating system covers 100% of the Company's contractors. When selecting candidates and extending contracts, the system helps to fully take into account compliance with HSE, OS and CD requirements and avoid contractors on the database's 'black list'. The rating is also a tool used to provide financial and non-financial motivation for counterparties. Such tools were introduced at a number of the Company's subsidiaries during the reporting year. In particular, at the start of the year Messoyakhaneftegaz selected the best contractors involved in major construction work at the Messoyakha project in 2015.



We believe that safety is not an area where people can be divided into 'us' and 'them' or customers and contractors. I have no doubt that joint work with partners and the introduction of unified industrial safety principles will lead to the formation of a common culture in which people's lives and health are the highest value.

Alexander Dyukov
Chairman of the Gazprom Neft Management Board



I perfectly understand the customer's focus on safety and believe that meeting these requirements is a sure-fire indicator of an enterprise's sustainability. The secret to our success is the hourly control of employees and leadership among executives on this issue.

Alexander Samoded
CEO of PremierStroyDesign, the top rated contractor in the Messoyakha project

IMPLEMENTATION OF THE 'STEPS' PROGRAMME

Stage	Activity
Preparations for contractual relations	Evaluate candidates in accordance with pre-qualification and qualification requirements, conclude agreements to the HSE, OS and CD contract with counterparties, establish key performance indicators and assess the contractor's resources that will be used to meet industrial safety requirements with their documentation.
Contractor performance management	Monitor the activities and performance of contractual terms and verify equipment, machinery and people's skills.
Evaluation of work	Rating: analyse the contractor's effectiveness in HSE and OS with the ability to search for and take into account cooperation history and conduct a comparison of counterparties. The evaluation serves as the basis for extending contracts and engaging in proactive work with contractors that show poor results.